

AMENDED IN ASSEMBLY APRIL 21, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

**ASSEMBLY BILL**

**No. 515**

**Introduced by Assembly Member Matthews**

February 18, 2003

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An act to amend Section ~~20122~~ *1103* of the Public Contract Code, relating to public contracts.

LEGISLATIVE COUNSEL'S DIGEST

AB 515, as amended, Matthews. Public contracts: ~~work under~~ *\$20,000 responsible bidder*.

*Existing law defines the terms “public entity” and “public works contract” for the purposes of specified provisions of the Public Contract Code, and defines “responsible bidder” for these purposes as a bidder who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity, and experience to satisfactorily perform the public works contract.*

*This bill would require a public entity awarding a contract to consider safety and wage violations in evaluating responsible bidders.*

~~Existing law requires public entities to comply with certain procedures in soliciting and evaluating bids and awarding contracts for the erection, construction, alteration, repair, or improvement of any public structure, building, road, or other public improvement. Under existing law, if the estimated cost of construction of specified types of projects exceeds \$4,000, the work is required to be done by contract, except that in counties containing a population of 500,000 or over, the work need not be done by contract if the estimated cost is less than \$6,500.~~

~~This bill would change that \$6,500 amount to \$20,000, and require that increased amount to be adjusted for inflation, as provided.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     ~~SECTION 1. — Section 20122 of the Public Contract Code is~~  
2     ~~amended to read:~~

3     ~~20122. — (a) In counties containing a population of 500,000 or~~  
4     ~~over, the work referred to in Section 20121 need not be done by~~  
5     ~~contract if the estimated cost thereof is less than twenty thousand~~  
6     ~~dollars (\$20,000), exclusive of the estimated cost of materials or~~  
7     ~~supplies to be furnished pursuant to Section 20133.~~

8     ~~(b) For each taxable year beginning on or after January 1, 2005,~~  
9     ~~the department shall recompute the estimated cost amount set forth~~  
10    ~~in subdivision (a). That computation shall be made as follows:~~

11    ~~(1) The California Department of Industrial Relations shall~~  
12    ~~transmit annually to the department the percentage change in the~~  
13    ~~California Consumer Price Index for all items from June of the~~  
14    ~~prior calendar year to June of the current year, no later than August~~  
15    ~~1 of the current calendar year.~~

16    ~~(2) The department shall compute an inflation adjustment~~  
17    ~~factor by adding 100 percent to that portion of the percentage~~  
18    ~~change figure which is furnished pursuant to paragraph (1) and~~  
19    ~~dividing the result by 100.~~

20    ~~(3) The department shall multiply the estimated cost amount in~~  
21    ~~subdivision (a) for the preceding calendar year by the inflation~~  
22    ~~adjustment factor determined in paragraph (2), and round off the~~  
23    ~~resulting products to the nearest one dollar (\$1).~~

24    ~~SECTION 1. Section 1103 of the Public Contract Code is~~  
25    ~~amended to read:~~

26    ~~1103. (a) “Responsible bidder,” as used in this part, means~~  
27    ~~a bidder who has demonstrated the attribute of trustworthiness, as~~  
28    ~~well as the quality, fitness, capacity, and experience to~~  
29    ~~satisfactorily perform the public works contract.~~

30    ~~The~~

31    ~~(b) A public entity awarding a contract shall consider past~~  
32    ~~safety and wage violations in evaluating responsible bidders.~~

1     (c) *The* Legislature finds and declares that ~~this section~~  
2     *subdivision (a)* is declaratory of existing law.

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